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Turks and Caicos Islands

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–2	2
II.	Constitutional, legal and political issues	3–11	2
III.	Economic conditions	12–35	4
	A. General	12	4
	B. Budget	13–17	4
	C. Financial services	18–23	5
	D. Agriculture, fisheries, construction and manufacturing	24–27	6
	E. Tourism	28–31	7
	F. Infrastructure	32–35	7
IV.	Social conditions	36–54	8
	A. General	36–37	8
	B. Labour	38–40	9
	C. Education	41–43	9
	D. Health	44–48	10
	E. Crime	49–52	10
	F. Environment	53–54	11
V.	Relations with international organizations and entities	55–57	11
VI.	Future status of the Territory	58–64	12
	A. Position of the territorial Government	58	12
	B. Position of the administering Power	59–63	12
	C. Consideration by the General Assembly	64	13

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I. General

1. The Territory of the Turks and Caicos Islands[1] comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 km south-east of Miami, United States of America. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos and Providenciales. The total population of the Territory was estimated at 24,000 in 1999, including some 5,000 to 6,000 immigrants from Haiti and the Dominican Republic. Most of the population resides on the two principal islands, Grand Turk, which is the administrative capital, and Providenciales, which is the business centre of the islands. Of the other populated islands, South Caicos has 10.5 per cent of the total population; North Caicos 11.1 per cent; Middle Caicos has 2.3 per cent; and Salt Cay, 1.8 per cent. Most of the people are of African descent, the rest being mixed or of European origin. English is the main language, with some Creole spoken by Haitian immigrants. The religion is Christianity; the Anglican Communion predominates.

2. The Turks and Caicos Islands were discovered by the Spanish in 1512. In 1678, Bermudans established a solar salt industry. The Islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, employing slaves. Between 1833 and 1843, slavery was abolished and the plantation owners left the Islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by Britain as a dependency of Jamaica. The Islands became a separate colony of the United Kingdom in 1962, under the control of the Bahamas Islands, but with Bahamian independence in 1973, the Turks and Caicos were placed under a British Governor at Grand Turk.

II. Constitutional, legal and political issues

3. The Turks and Caicos Islands is a Non-Self-Governing Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council and two official members (Chief Secretary and Attorney General). The Legislative Council consists of 19 members. There are 13 representatives elected by popular vote, 3 appointed by the Governor and 3 ex officio members of the Executive Council.

4. The legal system, based on English Common Law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London. The Attorney General and Chief Justice are currently United Kingdom technical cooperation officers, as are the Senior Crown Counsel, the Legal Draftsman, the Deputy Commissioner of Police and the Head of the Criminal Investigation Division. The Police Development Project supports the provision of a further two technical cooperation officers: an Assistant Commissioner of Police and a Financial Crimes Investigation Officer.

5. In December 2002, a new Governor, James Poston, was sworn into office.[2]

6. There are two main political parties in the Territory, namely, the People's Democratic Movement and the Progressive National Party, formed in 1975 and 1980 respectively. A third party, the United Democratic Party, was set up in 1993 by a former PDM deputy leader. In the latest election in 1999, the People's Democratic Movement won 52.2 per cent of the vote and the Progressive National Party won 40.9 per cent. As a result of the elections, Derek Taylor took office as Chief Minister.

7. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (for the text of the White Paper, see A/AC.109/1999/1, annex; for its key recommendations, see A/AC.109/1999/18, para. 37). The White Paper proposed the extension of British citizenship to the citizens of the Territories. At the same time, it required the Territories to amend their local legislation, in particular on human rights and on the regulation of financial services to meet international standards. The Bill received Royal Assent on 26 February 2002 and became the British Overseas Territories Act 2002, which came into force in May 2002. Under the new law, the Turks and Caicos Islanders are allowed to hold British passport and live and work in the United Kingdom and the European Union.

8. Within the framework of the constitutional review, in April 2002 the Governor created a Review Body with a mandate to examine the present Constitution and to make recommendations for its modernization. After comprehensive consultations in all the islands comprising the Territory, in September 2002 the Review Body presented the "Constitutional Modernisation Review Report" to the Governor.[3] Many of the public concerns reflected in the recommendations included in the report were related to limiting the powers of the Governor. In particular, the report recommended that the leaders of the ruling party and the opposition should be consulted on the candidature of the Governor; that some of the powers of the Governor should be transferred to Ministers; that a permanent Deputy Governor position should be established; and that the scope of issues where the Governor had to consult the Executive Council should be expanded. The report also made recommendations with respect to the executive, legislative and judicial organs of the Territory, including the addition of one ministerial post, and more frequent or regular meetings of these bodies, in particular the Court of Appeal. The recommendations concerning the public service were mostly designed to ensure stronger influence and representation of the territorial interests vis-à-vis the Governor.

9. With respect to the future constitutional status of the Territory, the report indicated that during the meetings there were a number of proponents of full internal self-government. However, according to the report, once the members of the Review Body explained that a decision to advance full internal self-government would have to be accompanied by the setting of a timetable for independence, enthusiasm for the proposal dissipated. According to the Review Body, no one expressed any support for independence.

10. In addition, the Report made recommendations on the fundamental rights and freedoms of the individual to bring them more in conformity with European

conventions on human rights. In particular it was recommended to establish a Human Rights Commission.

11. According to information provided by the administering Power, the issues brought to light during the constitutional review process were among those discussed at the United Kingdom Overseas Territories Consultative Council in London in September 2002. In particular, the Chief Minister of Turks and Caicos focused on the relationship between the United Kingdom Government and the elected Government of the Territory. He stated that the Territory Ministers should have more authority than the Governor ("he who pays the pipes calls the tune") and that the Government of the United Kingdom should recognize the maturity of the politicians of the overseas territories and respect the aspirations of the people. In response, the British Minister for Overseas Territories agreed that the recommendations that received the strongest public support would be given careful consideration, but she could not guarantee that all proposals would be accepted. She also defended the role of Governors, saying that they had to ensure that standards and practices of the Overseas Territories were consistent with the priorities and international requirements of Her Majesty's Government.

III. Economic conditions

A. General

12. Since the 1980s, the main sectors of the economy have been upmarket tourism and international financial services. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main areas of private investment are tourism property development, real estate, international finance and fishing, focused on the island of Providenciales. The average gross domestic product (GDP) grew by approximately 8 per cent per year during the past decade, rising from US$ 69 million in 1990 to $199 million in 1999. Although unemployment never fell below 12 per cent and the growth was unevenly distributed between the constituent islands, the economic well-being of the population improved considerably.

B. Budget

13. The budget is projected on biennial basis, with the fiscal year beginning in March (the amounts are in United States dollars). According to the administering Power, the estimated revenue for 2001-2002 was $87,539,584 and total expenditure was $88,932,951. The projections for the year 2002-2003 estimated $91,065,741 in revenue and $90,115,846 in expenditure. For the period 2003-2004 the Government expects $94,970,022 in revenue and $91,356,357 in expenditure.

14. In 2001-2002, the Government expected to collect 40.2 per cent of its revenues from duties; 13.5 per cent from fees and charges; 4.8 per cent from licences; 0.8 per cent from rent; 33.0 per cent from taxes and 7.7 per cent from other sources. Its recurrent expenditures were projected at 30.8 per cent for education, health, youth and sports; 8.8 per cent for public works; 12.6 per cent for communications, transport and tourism; 3.2 per cent for natural resources and environment; 6.1 per cent for home affairs; 7 per cent for police; 26.2 per cent for the Office of the Chief

Minister; 0.5 per cent for the Office of the Governor; 2.2 per cent for the Office of the Chief Secretary; 1.2 per cent for Attorney General's Chambers; 1.0 per cent for the Judiciary and 0.4 per cent for the Audit Department.

15. The Turks and Caicos' budget for the period 2001-2004, provided by the administering Power, included information on the development budget estimate. The Development Fund's estimated budget expenditure for 2001-2002 was $39,983,637 while for 2002-2003 it was $52,067,188 and for 2003-2004 it was $30,535,488. During the period 2001-2002, $9 million was budgeted for transfer from the Consolidated Fund to the Development Fund. Planned transfers during 2002-2003 and 2003-2004 amounted to $20 million.

16. According to 2001-2004 budget, 24.4 per cent of the Development Fund was allocated to the Ministry of Education, Health, Youth and Sports; 22.5 per cent to the Office of the Chief Minister and Ministry of Finance; 21.1 per cent to the Ministry of Communications, Transport and Tourism; 18.5 per cent to the Ministry of Works and Utilities; and 8.8 per cent to the Ministry of Natural Resources Planning and Environment.

17. The deficit of the current budget, if any, is covered by funding from the United Kingdom and, to a lesser extent, the European Union and multilateral agencies. The Government levies no taxes on corporate or personal income, capital gains or inheritance. The largest component of current revenue is customs duty, while company registration fees and tourism levies have produced an increased share in recent years.

C. Financial services

18. Constitutional responsibility for the Turks and Caicos Islands' offshore finance sector rests with the Governor. The United Kingdom Technical Cooperation Programme supports the sector through the provision of the Superintendent and the Deputy Superintendent of the Financial Services Commission. The regulatory structure set up through the Banking Ordinance of 1979 and the Companies and Insurance Ordinance of 1981 was updated and extended in 1990 and 1992.[4] Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

19. Offshore finance is the second largest source of external revenue after tourism and the third largest employer in the Territory. It contributes 10 per cent to GDP. The number of major international accounting and financial service companies that operate out of Providenciales is more than 17,000.[5]

20. In 2000, the Organisation for Economic Cooperation and Development (OECD) published a list of 35 countries, including the Territory of the Turks and Caicos Islands, labelled as offshore financial centres that exercised harmful tax practices. Turks and Caicos has made considerable efforts in the financial services industry to maintain its high reputation. After committing to cooperate in March 2002, the Territory was removed from the list of uncooperative tax jurisdictions (see also A/AC.109/2002/14, para. 16).[6] Attached to the letter of commitment was a phased implementation plan outlining the measures that the Government will take

by the end of 2005 to conform with the principles of transparency and effective exchange of information.[7]

21. In the following months, the OECD continued to exercise pressure on the jurisdictions on its original list. In April 2002 it unveiled a model agreement for effective information exchange, which would target taxes on income or profit, capital, net wealth and on estate, inheritance and gifts. At the same time, the targeted jurisdictions entered jointly into negotiations with OECD in order to protect their sovereignty and the privacy of their clients. Between 26 October and 1 November 2002 the Government of Cayman Islands hosted a meeting of the OECD members with representatives of the targeted jurisdictions.[8]

22. Another subject related to so-called tax havens, namely the issue of cross-border taxation of saving accounts, including in offshore financial centres, has been discussed within the framework of the European Union since 1998. Following the request of the Government of the United Kingdom, in October 2002, that the Caribbean Overseas Territories provide details of all savings account holders registered in the Territories by 15 November, the Ministers of these British Non-Self-Governing Territories, including Turks and Caicos, held an emergency meeting in the Cayman Islands. Although the Territories reaffirmed their willingness to cooperate, they stressed the need for a fair, transparent and non-discriminatory approach to the problem.[9]

23. Yet another initiative related to taxation was undertaken by the European Union in March 2003. According to press reports, European Finance Ministers decided that their tax authorities will automatically exchange information. Some countries were granted a transitional period before entering into the agreement. The plan has drawn protests from Caribbean Overseas Territories.[10]

D. Agriculture, fisheries, construction and manufacturing

24. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale in Providenciales and the establishment of a new farmers' cooperative. Fishing, a traditional activity, is the only significant productive sector and contributes 2-3 per cent to GDP. Conch and lobster are the main catches. About 20 per cent of the working population is involved in agriculture and fishing. The Turks and Caicos Islands is home to the world's only commercial conch farm, raising domestic conch for export. Several fish farms are being developed on an experimental basis to produce tilapia for international markets. The production of high-value, value-added and specialty export products has an important potential for growth and investments in the Territory. Some examples include: fin fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture. The demand for local farm produce exceeds the supply.[11]

25. According to the information from the administering Power, the 2001-2004 budget allocated $1,472,200 to the Office of the Minister for Natural Resources, which includes $418,800 for 2002-2003 and $248,800 for the year 2003-2004. For agriculture pilot projects, the budget allocated $50,000 for the year 2001-2002 and $70,000 for the year 2002-2003. The budget for 2001-2002 also allocated $150,000 for a coastal resources management project.

26. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Lomé Convention. Operations were begun in 1994 but have been reduced since early 1997, when the European Union imposed a restrictive quota on rice imports from African, Caribbean and Pacific countries via the overseas countries and territories regime.[12]

27. An international construction company is based in the Turks and Caicos Islands. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.[13] The construction and real estate market continues to grow. It includes domestic housing and various upmarket resort and beach properties.

E. Tourism

28. The Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. Although the Turks and Caicos Tourist Board estimated that the total number of visitors fell by 6 per cent in 2002, tourism appears to have picked up in the fourth quarter. The number of visitors arriving in November 2002 grew by 46 per cent in comparison with the same period of the previous year and, in December 2002, was 27 per cent higher than in the same month in 2001. This performance partly reflected a weak fourth quarter of 2001 following the 11 September attacks in the United States.[14]

29. During the period under review, the construction of new hotels in the territory continued. A new hotel and resort development, the 21-room, 5-star Turks and Caicos Club opened in December 2002. Several other developments are in progress, among them a 72-unit condominium and the other a 100-room extension to the existing Beaches Turks and Caicos resort. Two major developments on South Caicos are scheduled to be completed in 2003, which will raise hotel room capacity on the island by 100 and the number of condominium units by 400.[15]

30. In January 2003, the Chief Minister of the Territory signed the Development Agreement with Holland America to construct a cruise port in Grand Turk. The port is expected to contribute to an economic boom and overall revitalization of the capital of Turks and Caicos. With the cruise ship industry in place, it is expected that around 300,000 passengers will disembark on Grand Turk within the next three years. The ships will call into port at least five times per week.[16]

31. In February 2003, the Turks and Caicos Tourism Board launched the Tourism Action Partners campaign. The initiative will promote continuous awareness among the general public of the importance of tourism to the Turks and Caicos and the role of the community in maintaining the economic value of the industry.[17]

F. Infrastructure

32. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the developing offshore financial sector. There are international airports on Providenciales, Grand Turk, North Caicos and South Caicos, and paved airstrips on Middle Caicos and Salt Cay. American Airlines, Trans World Airlines and Delta Air Lines operate to the United States.

British Airways has provided services since June 2001. In season, there are charter flights from several North American cities, including Boston, Chicago, Detroit, New York, Philadelphia and Toronto. Inter-island air services are provided by Turks and Caicos Airways and numerous local charters. Flights are also available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica. In 2002, US Air announced that it would operate four flights weekly from Charlotte, North Carolina, to Providenciales.[18]

33. In January 2003, following extensive negotiations, the Government of the Turks and Caicos Islands reached final agreement for the construction of Grand Turk International Airport. The construction comprises a new state-of-the-art terminal building, car parks, landscaping, access roads, extensions to the runway, resurfacing of the existing runway and upgrading airport landing lights. The US$ 13.5 million project, scheduled for completion in November 2003, will provide first-class airport facilities for Grand Turk by the next winter season.[19] Grand Turk, Providenciales, South Caicos and Salt Cay have ports. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos Islands.

34. As reported in the Tourism section of the report, a new port will be built in Grand Turk in cooperation with Holland America. It will provide a cruise dock capable of accommodating two cruise ships at any one time and extending 1,680 feet out from the shoreline.[20]

35. Cable and Wireless, a British telecommunications company, provides domestic and international telephone services. There are 12 cable channels on Grand Turk and 32 on Providenciales, and six radio stations. There are no daily newspapers. The *Free Press* and the *Turks and Caicos News* are published weekly, and the *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly. All electricity services are operated by private companies, with diesel generators and to United States standards of supply and reliability.[21]

IV. Social conditions

A. General

36. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in that area are concentrated almost totally on one island, Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly migration to Grand Turk, where the capital is located. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.[22]

37. In September 2001, the Chief Welfare Officer acknowledged at a human rights symposium that there was a need to review and rewrite legislation across the Caribbean, and, in particular, the Turks and Caicos Islands for the safeguarding of family, children and women's rights. In February 2002, the Legislative Council passed amendments to the immigration laws, paving the way for children born out of wedlock to men of the Turks and Caicos Islands to have full rights of citizenship.[23]

B. Labour

38. One of the social problems in the Turks and Caicos Islands that requires serious attention is finding an acceptable balance between providing the Territory's nationals with employment and a more meaningful role in the economy and meeting a growing need for qualified personnel in such industries as tourism and financial services. Regional differences in employment are significant. Unemployment on Providenciales is the result of an imbalance between demand and supply for skills and the unwillingness of many "Belongers" (local islanders) to take certain jobs. This has led to a dependence on immigration and an influx of immigrant workers. Of an estimated population of 24,000, some 5,000 to 6,000 immigrants are from Haiti and the Dominican Republic. The geographical location of Turks and Caicos and relative prosperity makes it an attractive destination for job seekers from neighbouring countries.

39. The Government undertakes constant efforts to deal with the problem of illegal immigration, including forced repatriation. It received assistance from the International Organization for Migration and the Office of the United Nations High Commissioner for Refugees.[24]

40. As was reported in previous working paper (A/AC.109/2001/7 and A/AC.109/2002/14), the Government was revising the rules for granting so-called "Belonger" status and work permits to foreigners. In 2002, the Government took a number of steps to secure the labour market in favour of "Belongers". In February 2002, the Business Licensing Division of the Ministry of Finance enumerated 21 areas of business activities that were reserved for persons with "Belonger" status. Restrictions in business activity range from accountancy to trade and ownership or operation of private schools.[25] The Government also stated that foreigners who are categorized as skilled or professional would no longer have permits renewed beyond the four-year period. For unskilled persons, the ceiling would be three years.[26]

C. Education

41. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 government-run primary schools and 4 government-run secondary schools. The adult literacy rate is 98 per cent. The pupil-teacher ratio averages 25:1.

42. According to the administering Power, the Government of the Turks and Caicos Islands allocated $4,180,421 to the Education Department of the Ministry of Education and Youth for the year 2001-2002 and estimated spending $1,797,810 in 2002-2003 and $1,340,000 in 2003-2004. The amount devoted to education represents a 24.4 per cent share of the whole Development Budget.

43. In 2001, the Government formally opened the $5 million Community College campus in the capital city, Grand Turk. The first stage of the project involved refurbishing three buildings of the Old Navy Base into classroom and administrative facilities. The Government allocated $2,000,000 in its budgetary estimates for the period 2002-2003 for the second phase of the project that will include the completion of the dormitory facility for students from across the Islands.

D. Health

44. Basic health care is available on the islands through a network of primary health-care clinics and one hospital, located on Grand Turk, the capital island. The Government has sought to address infrastructural needs, especially on the island of Providenciales, which has a high population growth rate.[27]

45. According to the World Health Organization, the illegal migrant population presents a major challenge for the Territory. These people often live under poor conditions, and there is a recorded increase in the incidence of communicable diseases, especially tuberculosis, among them. This situation also places an additional strain on the Territory's health system.

46. According to the administering Power, the 2001-2002 Budget allocated $2,344,440 for the Medical Department, $25,000 for the Minister for Health, and $11,000 for the Dental Department. Within this budget, the Government plans to spend $1 million for catastrophic medical evacuation to the United Kingdom and $400,000 for Grand Turk Hospital remedial work.

47. During 2002, the Government continued to improve health service in the Territory. It provided funds for the acquisition of a laparoscopy machine, mammography unit, ultrasound machine, electrolyte analyser, surgical ophthalmologic equipment, equipment for maternity wards, two temporary cardiac pacemakers and laboratory support equipment. Funds were also identified for equipment for the operating theatre and air-conditioning for the general and maternity wards, support to the medical laboratory, development of blood bank facilities, the creation of a physical therapy rehabilitation service, a physical therapy rehabilitation system and an echocardiography programme.

48. The 2002-2003 Budget included $1,761,000 for the Medical Department, $25,000 for the Minister for Health, and $30,000 for the Dental Department. A total of $1 million was budgeted for the year 2003-2004. The Government also planned to spend $28,930 on its AIDS Programme. In particular, $24,000 was budgeted for the establishment of an AIDS hospice in Old Clinic at Blue Hills. In 2002, the National AIDS Programme hired six new officers. The officers received specific training and are expected to strengthen local capacity to fight the disease. The officers received their training at a workshop that took place in Trinidad and Tobago.[28]

E. Crime

49. In January 2002, the head of the Criminal Investigation Department stated that the police in the Turks and Caicos Islands was in control of the crime situation. During the year 2001, there were 1,401 acts of crime, of which 30 per cent have been solved. He stated that in 2000, the detection rate was 35 per cent (435 offences) and in 2001, it was 38 per cent (532 crimes solved). Out of 1,401 crimes investigated, 801, or 57 per cent, were burglaries and thefts. A total of 479 persons were arrested and charged with offences. Of this number, 365 were local offenders, including 311 adult males and 20 adult females, 24 juvenile males (compared to 9 juvenile male arrests in 2000) and 1 juvenile female. Among those arrested, 123 were aliens (101 adult males, 20 adult females, 1 juvenile male and 1 juvenile female), with the majority arrested for drug offences.[29]

50. Drug trafficking remains a problem in the Territory. According to the Caribbean Financial Action Task Force Mutual Evaluation, the Turks and Caicos Islands has been used as trans-shipment points for drug traffickers, and several seizures of cocaine have been found on Haitian carriers at Providenciales Airport in amounts of up to one kilogram. Illegal drugs are most often brought into the Territory in boats circulating between Haiti and Turks and Caicos. Illegal drugs are also coming from Jamaica, the Dominican Republic, the Bahamas and Colombia. The Police Department is reportedly determined to work with other national agencies, including the Customs and Welfare Departments, to apprehend and prosecute offenders.[30]

51. Royal Navy and Royal Air Force attachments to the Police Force have enhanced the Turks and Caicos Islands' ability to combat drug trafficking. The Islands enjoy close cooperation with the United States and Bahamian narcotics agencies under an agreement extended to the Turks and Caicos Islands in 1990, thus allowing for combined interdiction operations. In 2000, an agreement on counter-drugs cooperation between the United States and the United Kingdom, also on behalf of the non-self-governing territories in the Caribbean, came into force. The agreement aims at better international cooperation in the fight against drug trafficking in the waters of the Caribbean and at closer coordinated operations and air and sea surveillance in the region.[31]

52. With respect to illegal immigration in November 2002, a sailboat carrying 58 Haitian migrants was intercepted 15 miles off the Turks and Caicos Islands. The operation was carried out in cooperation with the United States Coast Guard helicopter crews as part of a multinational task force. The Turks and Caicos police took custody of the boat; the intruders were interviewed and sent back to Haiti.[32]

F. Environment

53. The Turks and Caicos National Trust is a membership-based voluntary organization working to protect the natural and cultural heritage of the Islands.

54. In October 2002, a joint project between local communities, the Turks and Caicos National Trust and the United Kingdom Overseas Territories Conservation Forum designed a new plan for biodiversity management and sustainable development around the Turks and Caicos Ramsar Site. The new plan, which covers the important wetlands in North, Middle and East Caicos, lays out a partial approach to developing an appropriate-scale eco-tourism industry which will preserve environmental resources and local communities. The work was carried out under a memorandum of understanding with the Turks and Caicos Islands Government, and with financial support from the United Kingdom Government and others.

V. Relations with international organizations and entities

55. The Turks and Caicos Islands were admitted as an associate member of the Caribbean Community (CARICOM) in July 1991. The Territory is also a member of the Caribbean Development Bank and the International Criminal Police Organization (Interpol).

56. UNDP support continues under the 1998-2003 country programme, which includes technical support in excess of $780,000. The net contributor country classification places Turks and Caicos in a category that requires full government cost-sharing in UNDP programmes. However, the Territory also benefits from some UNDP regional programmes, such as the regional disaster response and management project and a programme for technical service development. In addition, UNDP continues to concentrate on small business development and employment creation in the Territory, particularly on its less developed islands. UNDP also provides technical support for capacity-building in the public sectors using the United Nations Volunteers.[33]

57. In April 2001, the consultative workshop "The United Nations Convention on the Rights of the Child" was held in Providenciales. A UNICEF representative said that there is an urgent need in the Caribbean to undertake a programme of legal reform with the purpose of modernizing, rationalizing and consolidating laws affecting children. There are some deficiencies in several areas, including matters related to birth status, custody and access to children — especially when parents are separated, child maintenance, procedures to deal with child abuse, and the administration of juvenile justice.[34]

VI. Future status of the Territory

A. Position of the territorial Government

58. The recommendations submitted by the Constitutional Review Body to the Governor of the Territory in September 2002 are summarized in paragraphs 8-11 of this working paper.

B. Position of the administering Power

59. On 1 October 2002, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) (see A/C.4/57/SR.3), in which she said that her Government, as an administering Power, was pleased to report that further progress had been made towards modernization and development of the relationship between the United Kingdom and its Overseas Territories. The fourth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2002, providing a forum for structured political dialogue between democratically elected Chief Ministers and Ministers of her Government with regard to the relationship, based on partnership, between the United Kingdom and its Territories. It also enabled those present to consult on matters, such as the process of constitutional review, human rights and environmental issues arising from the United Kingdom's international commitments.

60. The partnership between the United Kingdom and its Overseas Territories continued to evolve: on 26 February 2002, the British Overseas Territories Act had become law, with effect as from 21 May 2002, granting citizens of the Territories British citizenship, with right of abode in the United Kingdom and freedom of movement in Europe; it formally changed the nomenclature from "Dependent" to "Overseas" Territories in order to more accurately reflect the nature of the

relationship. Furthermore, constitutional review was under way in almost all the Territories, for the first time with the participation of locally appointed review commissions, with a view to providing each Territory with a modern constitution suitable for its long-term development and which reflected its specific circumstances. Some reviews were almost complete, others were well under way, and Ascension Island, for example, would have elected an island council by the end of 2002.

61. The United Kingdom representative added that work was under way to implement the Guiding Principles of the Environment Charter for the Overseas Territories, adopted in September 2001. Pilot projects had been approved for two Territories and would be carefully monitored for suitability elsewhere. Multilateral environmental agreements would be extended to the Territories and national legislation would be strengthened. Projects had been implemented to address key areas, such as habitat restoration, surveys of living resources, tackling of invasive species and capacity-building for civil society institutions. Her Government would also assist the Territories to access regional and bilateral European Commission trade, and economic and development assistance within the framework of the November 2001 Overseas Association Decision.

62. The wishes of the peoples of the Territories, exercised in accordance with the Charter of the United Nations and other international treaties, were of paramount importance for the United Kingdom. The relationship between her Government and its Territories was based on fundamental principles, such as self-determination, mutual obligations, freedom for the Territories to run their affairs to the greatest degree possible and the firm commitment from her Government to help the Territories economically and during emergencies.

63. The representative of the United Kingdom said that there was a basic commonality of approach between her Government and the Committee and she therefore regretted that certain resolutions, in particular those of the Special Committee on Decolonization, did not always properly reflect that commonality. The annual omnibus resolution recalled that there was no alternative to the principle of self-determination and it was unfortunate that the Special Committee continued to apply that principle selectively. Her Government fully intended to continue to work with the Special Committee, as had been demonstrated by the presence of a representative of her Government at the regional seminar of the Special Committee held in Fiji in 2002.

C. Consideration by the General Assembly

64. On 11 December 2002, the General Assembly adopted, without a vote, resolution 57/138 A and B, section X of which concerns the Turks and Caicos Islands.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations.

[2] *BBC Monitoring Americas* — Political London; Dec 8, 2002.

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